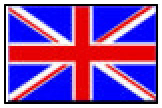


United Kingdom

ECONOMY. During the recent global economic downturn, the British economy has remained strong, posting growth rates greater than other developed economies. Indeed, although growth in the U.K. has tempered, it appears the economy will avoid recession entirely and should begin to accelerate with the rest of Europe as demand from the recovering U.S. economy increases. Inflation has been higher in the U.K. than elsewhere in Europe, although increases in personal income have remained above inflation, suggesting increased purchasing power. Unemployment has declined consistently throughout the last five years, bolstering consumer confidence and strengthening demand.

EXCHANGE RATE. The pound has suffered from its association with the Euro, declining nearly on par with the Euro since January 2000. However, recent gains in both currencies have pushed the exchange rate to approximately US$1.57 per pound. Because of the relative strength of the Pound, a U.S. holiday is still perceived as a bargain among most British consumers, and the effect of the current exchange rate outlook on travel demand should not deter travel demand. On the other hand, if the Pound strengthens versus the U.S. dollar, demand for U.S. vacations may improve.

LANGUAGE RESOURCES. No barriers to travel due to use of English language.

TECHNOLOGY APTITUDE. Adoption of the Internet in the UK trails only Scandinavia in its development. Access costs remain low compared to most other European countries. Other indicators of technological aptitude such as the number of mobile telephone subscribers and the number of computers per capita suggest significant progress in the U.K. relative to other European markets.

SEASONS & SEGMENTS. The U.S. is perceived as a year-round destination for U.K. travelers. While the summer months receive the most attention, a significant skier base also travels to the U.S. for winter holidays. As with other European markets, beach holidays, touring, and city holidays are attractive segments. There has been a recent demographic shift among U.K. travelers to the U.S., with increased attention on themed vacations and repeat visitors. Whereas first time visitors typically travel to Orlando or New York, the repeat visitor makes up the highest percentage of arrivals and is looking more towards themed breaks such as sports, heritage, culture and shopping. This reflects the wider vacation choice now available coupled with a willingness to try something new. The U.K. represents the second largest international ski market to Utah, trailing just Canada.

HISTORIC VISITATION. The U.K. became the largest overseas market for the U.S. during 2001 and many forecasters expect the U.K. to remain the top overseas market during the next several years. In contrast to other European markets that have lost market share to other destinations, the U.S. still dominates the U.K. long-haul market and has increased market share in recent years. Nonetheless, the U.S. faces increasing competition from Canada, Australia, and Latin America. Despite some fluctuations, the growth in the number of British arrivals to Utah generally follows the growth in the U.S.

SOCIAL & POLITICAL FACTORS. The U.K. market is likely to be the least affected by the September 11th terrorist incidents than any other overseas market. The relative familiarity with the U.S. combined with the relative frequency of terrorism incidents that have occurred within the U.K. increases the pace of demand recovery. The solidarity expressed between the U.S. and British governments in their response has also done much to temper adverse reactions among consumers.

OLYMPIC INTEREST. Due to the limited success of British athletes in the 2002 Olympic Winter Games, interest in the Games may have been less than elsewhere in Europe. However, evidence suggests that coverage of the Salt Lake Games was strong, although the number of hours people watched the Games was less than elsewhere in Europe. Britain's 38 million Olympic spectators watched on average nearly 4 hours of Olympic coverage. Because of the existing demand from the U.K. for winter recreation in the U.S., it is expected that the coverage of the Games should provide significant increases in awareness and interest among U.K. consumers, particularly among skiers.

DISTRIBUTION INFRASTRUCTURE. Packaged tours to the U.S. are relatively popular in the U.K. The top four U.K. operators are: Thomson, Airtours, Thomas Cook/Carlson and First Choice. Most consumers rely on tour operators and travel agencies to gather information and many also book packages through the operators. While no direct nonstop flights are available to Utah, Las Vegas has 2 direct nonstop flights from London and one from Manchester.

UTAH VISITORS FROM THE U.K. SUMMARY - 1997-1999*

Utah Division of Travel Development

DEMOGRAPHICS

AGE (years)	
Averare Age (mean)	45.0
18-34 Years	31%
35-54 Years	37%
55+ Years	32%

HOUSEHOLD INCOME ($US)	
Average HH Income	$72,500
< $40,000	23%
$40,000 - $80,000	48%
$80,000 - $120,000	16%
$120,000+	13%

PARTY COMPOSITION	
Avg. Travel Party (mean)	1.8
Spouse	48%
Traveling Alone	24%
Family/Relatives	19%
Friends	10%
Business Associates	8%
Adults Only	97%
Adults and Children	3%

GENDER	
Men	63%
Women	37%

FREQUENT TRAVELERS	
Repeat Visitor to the U.S.	85%
U.S. Trips last 12 Months	1.6
U.S. Trips last 5 Years	4.5
1 Trip	20%
2 - 5 Trips	60%
5+ Trips	20%

OTHER DESTINATIONS VISITED	
# of States Visited	3.4
# of Destinations Visited	5.1
California	46%
Los Angeles	24%
San Francisco	24%
Yosemite N.P.	9%
Nevada	42%
Las Vegas	38%
Arizona	47%
Grand Canyon N.P.	30%
Phoenix	15%
Wyoming	15%
Yellowstone	11%
New York	10%
New York City	9%
Colorado	18%
Denver	15%
Illinois	13%
Chicago	12%

TRAVEL PATTERNS

ADVANCE TRIP DECISION	
Advance Trip Decision	127 Days
Advance Air Reservations	91Days
Use of Pre-Booked Lodging	61%

USE OF PACKAGES	
YES	30%
Air/Lodging	20%
Air/Rental Car	16%
Guided Tour	15%
Air/Lodging/Rental Car	11%
Air/Lodging/Tour	7%
Air/Lodging/Bus	4%
Air/Lodging/Bus/Tour	3%
Advance Package Booking	127 Days
# of Nights Pre-paid as Part of a Package	11.5

INFORMATION SOURCES	
Travel Agency	70%
Friends/Relatives	18%
Travel Guides	17%
Airlines Directly	14%
Tour Company	13%
Personal Computer	12%
Newspapers/Magazines	11%
State/City Travel Office	5%
Other	5%

ACCOMMODATIONS	
Hotel/Motel	78%
Private Home	11%
Other	15%

TRANSPORTATION IN U.S.	
Rented Auto	52%
Airlines in U.S.	38%
Taxi/Cab/Limousine	30%
Company or Private Auto	30%
Bus Between Cities	12%
City Subway/Tram/Bus	11%
Other	5%

LENGTH OF STAY	
# of Nights In UT (mean)	9.7
# of Nights in US (mean)	23.4

UTAH DESTINATIONS VISITED	
Salt Lake City	36%
Bryce Canyon N.P.	23%
Zion N.P.	21%
Monument Valley	11%
Glen Canyon	5%

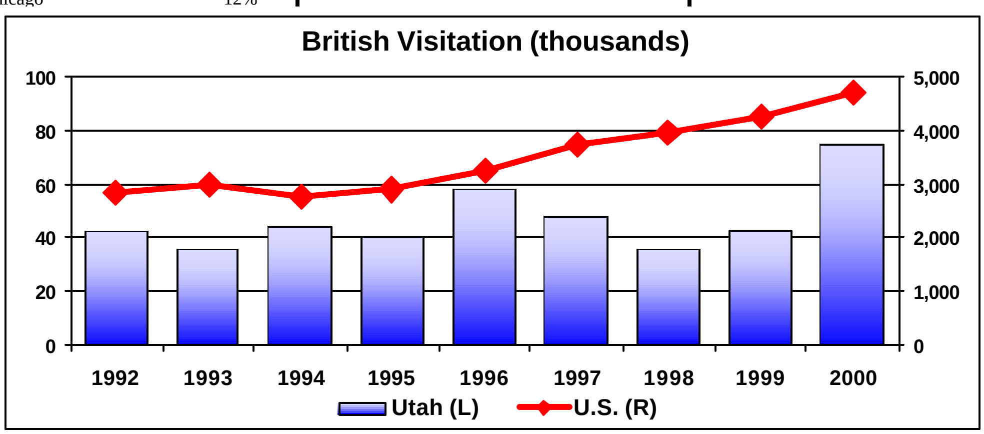
PURPOSE/ACTIVITIES

PURPOSE OF TRIP	
Leisure & VFR	82%
Leisure/Rec./Holidays	66%
Visit Friends/Relatives	16%
Business & Convention	18%
Business/Professional	13%
Convention/Conference	5%

PORT OF ENTRY	
Los Angeles	19%
San Francisco	14%
Chicago	13%
Newark	7%

LEISURE ACTIVITIES	
Dining in Restaurants	96%
Shopping	84%
Touring Countryside	75%
Visit National Parks	74%
Sightseeing in Cities	57%
Visit Historic Places	55%
Visit Small Towns	52%
Cultural or Heritage Sites	45%
Visit Am. Indian Comm.	32%
Casinos/Gambling	29%
Amusement/Theme Parks	29%
Water Sports/Sunbathing	23%
Guided Tours	23%
Ethnic Heritage Sites	22%
Art Gallery/Museum	20%
Camping/Hiking	17%
Concert/Play/Musical	15%
Nightclubs/Dancing	14%
Attend Sports Event	13%
Snow Skiing	11%
Environ./Eco Excursions	8%
Ranch Vacations	5%
Golfing/Tennis	4%
Cruises	3%
Hunting/Fishing	3%

PERFORMANCE	
Total Int'l. Visitation (000s)	43
Market Share	1.0%
Avg. Spending Per-Visitor-Per-Day (mean)	$55



SOURCE: OTTI, U.S. Department of Commerce